

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6646

BILL NUMBER: SB 235

NOTE PREPARED: Jan 31, 2012

BILL AMENDED: Jan 30, 2012

SUBJECT: Pro Bono Legal Services Fee.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR: Rep. Stemler

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- A. *New Fee* – It imposes until July 1, 2020, a pro bono legal services fee of \$1 on parties who file certain civil actions, small claims actions, and probate actions. It requires the pro bono legal services fees to be transferred to the Indiana Bar Foundation as the entity designated by the Indiana Supreme Court to organize and administer the Interest on Lawyers Trust Accounts (IOLTA) program.
- B. *IOLTA Program* – It requires the Indiana Bar Foundation to: (1) deposit in an appropriate account and otherwise manage the fees the foundation receives in the same manner it deposits and manages the net earnings the foundation receives from IOLTA accounts; and (2) use the fees the foundation receives to assist or establish approved pro bono legal services programs.
- C. *Subject to Audit* – It specifies that the handling and expenditure of the pro bono legal services fees received by the Indiana Bar Foundation are subject to audit by the State Board of Accounts.

Effective Date: July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) *Summary-* This bill would generate an estimated \$450,000 annually from a new fee that would be paid by all plaintiffs in civil, small claims, and probate cases that are filed in trial courts, city and town courts, and Marion County Township Small Claims Courts. Authorization to impose this

fee would expire on July 1, 2020.

Background Information- Because no fees are imposed on exclusively civil, small claims, and probate cases, LSA used the difference between the Court Administration Fee, which is imposed on all cases, and the DNA Sample Processing Fee, that is imposed on criminal, infractions, and ordinance violations, to estimate the new revenue that this fee could generate.

Since the Marion County Township Small Claims Courts only hear small claims cases, LSA used the revenue generated for these same fees to make this estimate.

The average revenues collected between 2008 and 2010 were used in these estimates.

Pro Bono Legal Services Fee						
Court	Fee	Imposed On:	Fee	3-Year Average Revenue*	Based on \$1	
Trial Courts, City and Town Courts	Court Administration Fee	All Cases	\$3 - before July 1, 2008 \$5 - after July 1, 2008	\$4,741,806	\$1,023,319	
	DNA Sample Processing Fee	Criminal, Infractions Ordinance Violations	\$2	\$1,282,842	\$641,421	
	<u>Difference Between Court Administration Fee and DNA Sample Processing Fee</u>					\$381,898
Marion County Township Small Claims Courts	Court Administration Fee	Small Claims Cases	\$3 - before July 1, 2008 \$5 - after July 1, 2008	\$315,699	\$67,900	
	Judicial Insurance Adjustment	Small Claims Cases	\$1	\$68,859	\$68,859	
	<u>Average Revenue Generated from \$1</u>					\$68,380
Total Revenue Generated from \$1						\$450,278
* Based on revenues reported in 2008, 2009, and 2010 <i>Indiana Judicial Report</i>						

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Auditor; State Board of Accounts.

Local Agencies Affected: Trial Courts, City and Town Courts, Marion County Township Small Claims Courts.

Information Sources: 2008, 2009, 2010 *Indiana Judicial Reports*.

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